
**FOOD STAMP REGULATIONS
ELIGIBILITY DETERMINATIONS**

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| 63-501 | RESOURCE DETERMINATIONS | 63-501 |

The CWD shall apply the uniform national resource standards of eligibility to all applicant households, except as specified in Sections 63-301.7 and .82.

.1 Definition of Resources

In determining the resources of a household, the following shall be included and documented by the CWD in sufficient detail to permit verification:

- .11 Liquid resources, such as cash on hand, money in checking or savings accounts, savings certificates, trust deeds, notes receivable, stocks or bonds, non-recurring lump sum payments, funds held in individual retirement accounts (IRAs) and funds held in accessible Keogh plans.
 - .111 A nonrecurring lump sum payment includes, but is not limited to, income tax refunds, rebates or credits; retroactive lump-sum social security, railroad retirement benefits, or other payments; retroactive payments from the approval of an application for any assistance program; court ordered retroactive payments for any assistance program; supplemental or corrective payments received for a previous month from any assistance program; lump-sum insurance settlements; or refunds of security deposits on rental property or utilities. These payments shall be counted as resources in the month received, unless specifically excluded from consideration as a resource by other Federal law as specified in Section 63-501.3(l), Section 63-506, or Section 63-507.
 - .112 Accessible Keogh plans are those which are established solely between household members.
 - .113 In counting resources of households with IRAs or accessible Keogh plans, the CWD shall include the total cash value of the account or plan minus the amount of the penalty (if any) that would be exacted for the early withdrawal of the entire amount in the account or plan.

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- .12 Nonliquid resources, such as personal property, licensed and unlicensed vehicles, buildings, land, recreational properties, and any other property, provided that these resources are not specifically excluded under Section 63-501.3. The value of nonexempt resources, except for licensed vehicles as specified in Section 63-501.52, shall be its equity value. The equity value is the fair market value less encumbrances.
- .2 Joint Ownership
- .21 Resources owned jointly by separate households (including non-food stamp households) shall be considered available in their entirety to each household, unless it can be demonstrated by the applicant household that such resources are inaccessible to that household. If the household can demonstrate that it has access to only a portion of the resource, the value of that portion of the resource shall be counted toward the household's resource level. The resource shall be considered totally inaccessible to the household if the resource cannot practically be subdivided and the household's access to the value of the resource is dependent on the agreement of a joint owner who refuses to comply. A resource cannot be practically subdivided if the financial value of the proportionate share would be significantly reduced by sale of only the subdivision. Resources owned jointly by household members and persons in the household who are disqualified or ineligible aliens (who would otherwise be household members) shall be considered available to the household, as required by Section 63-503.44.
- .22 If a resource is jointly held by members of the same food stamp household and one of the members is receiving PA and the other is not receiving PA, then exclude the amount that was counted in determining the PA eligibility.

63-501 RESOURCE DETERMINATIONS (Continued)**63-501****.3 Exclusions from Resources**

In determining the resources of a household, only the following shall be excluded:

- (a) The home and surrounding property which is not separated from the home by intervening property owned by others. Public rights of way, such as roads which run through the surrounding property and separate it from the home, will not affect the exemption of the property. The home and surrounding property shall remain exempt when temporarily unoccupied for reasons of employment, training for future employment, illness, or uninhabitability caused by casualty or natural disaster, if the household intends to return. Households that currently do not own a home, but own or are purchasing a lot on which they intend to build or are building a permanent home, shall receive an exclusion for the value of the lot and, if it is partially completed, for the home.
- (b) Households goods, personal effects, including one burial plot per household member, the cash value of life insurance policies, the cash value of pension plans or funds, and Keogh plans which involve a contractual relationship with individuals who are not household members.
- (c) Licensed vehicles shall be excluded as specified in Section 63-501.52. The exclusions shall apply to:
 - (1) unlicensed vehicles on those Indian reservations that do not require vehicles driven by tribal members to be licensed;
 - (2) licensed vehicles used by ineligible aliens or disqualified persons whose resources are considered available to the household.
- (d) Property which annually produces income consistent with its fair market value, even if only used on a seasonal basis. Such property shall include rental homes and vacation homes.

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To determine if property is producing income consistent with its fair market value, the CWD may contact local realtors, local tax assessors, the Small Business Administration, Farmer's Home Administration, or other similar sources. Newspaper classified advertisements can also be used as a resource.

All findings/determinations should be documented in the case file.

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- (e) Property which is essential to the employment or self-employment of a household member.

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- (1) Property may be farmland or work-related equipment, such as the tools of a tradesman or the machinery of a farmer.

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- (2) Resources of a business that are identifiable, such as funds in a checking or savings account, whether maintained exclusively for business purposes or commingled with nonexcluded funds, shall be excluded from resources to the extent that the funds represent averaged self-employment income and the funds necessary to produce that income, for the period of time over which the funds have been averaged as specified in Section 63-503.412.

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(A) For example:

A farmer receives gross income of \$4500 from the sale of his crop. This money is deposited into his joint business/personal checking account which already contains \$500 in personal funds. The personal funds are an includable resource for food stamps because they are not essential to the farmer's business. The \$4500 is not includable as a resource for two reasons. First, the gross amount less expenses of \$1500 has already been counted as income in accordance with Section 63-503.41. \$250 has been determined as the monthly average of the net annual income, \$3000 (\$3000 divided by 12 months). Secondly, the money is essential to the farmer's business.

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- (3) When a household member ceases to be self-employed in farming, property which was essential to this self-employment will continue to be excluded as a resource for a period of one year from the date of termination.
- (f) Installment contracts for the sale of land or buildings if the contract or agreement is producing income consistent with its fair market value. The exclusion shall also apply to the value of the property sold under the installment contract, or held as security in exchange for a purchase price consistent with the fair market value of that property.

The full value of trust deeds and notes receivable shall be considered exempt liquid resources provided that the household receives income from the trust deed or note receivable that is consistent with its fair market value. The interest portion of the repayment of these transactions shall be counted as unearned income to the household in accordance with Section 63-502.125. The principal portion of the repayment shall be treated as a nonexcluded resource and added to the household's resource level. If the payments are for interest only, then it shall be determined whether that amount represents an appropriate rate of return on the transaction.

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If the CWD determines the rate of return is not consistent with interest rates normally charged in similar business transactions, then the resource shall not be exempted. Installment contracts, trust deeds, and notes receivable shall lose their exempt status when sold.

- (g) Any governmental payments which are designated for the restoration of a home damaged in a disaster, if the household is subject to a legal sanction if the funds are not used as intended. Such payments shall not be limited to those made by the Department of Housing and Urban Development through the individual and family grant program, disaster loans, or grants made by the Small Business Administration.
- (h) Resources which have a cash value that is not accessible to the household, such as, but not limited to:

(1) Irrevocable trust funds.

Any funds in a trust or transferred to a trust, and the income produced by that trust, shall be considered inaccessible to the household if all of the following are met:

(A) The trustee administering the funds is either:

1. A court, or an institution, corporation or organization which is not under the direction or ownership of any household member; or,
2. An individual appointed by the court who has court imposed limitations placed on his/her use of the funds which meet the requirements of Section 63-501.3(h);

(B) The funds held in irrevocable trust are either:

1. Established from the household's own funds if the trustee uses the funds solely to make investments on behalf of the trust or to pay the educational or medical expenses of any person named by the household creating the trust; or,
2. Established from non-household funds by a non-household member regardless of how these funds will be used;

(C) The trust investments do not directly involve or assist any business or corporation under the control, direction or influence of a household member;

(D) The trust arrangement will not likely cease during the certification period; and,

(E) No household member has the power to revoke the trust arrangement or change the name of the beneficiary during the certification period.

63-501 RESOURCE DETERMINATIONS (Continued)**63-501**

- (2) Security deposits on rental property or utilities,
- (3) Property in probate,
- (4) Real property which the household is making a good faith effort to sell at a reasonable price and which has not been sold, and
- (5) Property, other than financial instruments (stocks, bonds, legally binding promissory notes, etc.) or vehicles, which if sold or otherwise disposed would be unlikely to produce "any significant amount of funds" or "significant return" for the support of the household.
 - (A) "Any significant amount of funds" shall be funds amounting to one-half or more of the applicable resource limit for the household.
 - (B) "Significant return" shall be any return, after estimated costs of sale or disposition, and taking into account the ownership interest of the household, that is estimated to be one-half or more of the applicable resource limit for the household.

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Example (1):

A household has inherited a 1/8 interest in a timeshare. The property is not in probate as specified in Section 63-501.3(h)(3), nor has there been an attempt to sell it as specified in Section 63-501.3(h)(4). The estimated value (by an appraiser) is \$10,000. The cost of selling the timeshare is \$1000. The household's 1/9 share of the timeshare is valued at \$1250 minus 1/8 of the cost to sell, \$125. The net share of \$1125 is \$125 over one-half the resource limit of \$2000. Therefore, since the net value of the property to the household is greater than one-half the resource limit for the household, the full amount, \$1125, is countable in the resource determination for the household.

Example (2):

The estimated value (by the appraiser) of the property indicated in Example (1) is \$10,000. However, the cost of selling the timeshare is \$2200. The household's 1/8 share of the timeshare is valued at \$1250 minus 1/8 of the cost to sell, \$275. The net share of \$975 is \$25 less than one-half the resource limit of \$2000. Therefore, since the net value of the property to the household is less than one-half the resource limit for the household, the full amount of the net value, \$975, is excluded in the resource determination for the household.

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- (6) If information is questionable, as defined in Section 63-300.53, verification shall be obtained through a collateral contact or documentation.
- (i) Resources, such as those of students or self-employed persons, which have been prorated as income. (See Section 63-503.212(b) on determining and averaging income and Section 63-503.41 on the treatment of self-employment income.)
 - (1) Where an exclusion applies to the use of a resource by or for a household member, the exclusion shall also apply to the use of a resource by or for an ineligible alien or a disqualified person whose resources are considered available to the household.
- (j) Resources and/or income of Native Americans and Alaska Natives as specified in Section 63-506.
- (k) Resources and/or income that are specifically excluded for food stamp purposes by any other federal statute as specified in Section 63-507.

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- (l) Earned Income Tax Credits (EITC) payments shall be excluded as follows:
- (1) A federal EITC payment received either as a lump sum or as payments under Section 3507 of the Internal Revenue Code for the month of receipt and the following month for the individual and that individual's spouse.
 - (2) Any federal, state or local EITC payment received by any household member shall be excluded for 12 months, provided the household was participating in the Food Stamp Program at the time of receipt of the earned income tax credit and provided the household participates continuously during that 12-month period. Continuous participation includes breaks in participation of one month or less due to administrative reasons, such as delayed recertifications or missing or late CA 7s.
 - (3) The following provisions apply to both Sections 63-501.3(l)(1) and (2).
 - (A) If the pay stub does not indicate an EITC advance payment was received, no further action is required.
 - (B) If it is unclear from the pay stub what amount of EITC advance payment the recipient received, the CWD shall obtain clarification from the recipient and contact the employer if necessary to obtain the amount.
- (m) At the time of application, any resources of a woman or women with children who are temporarily residing in a shelter for battered women and children shall be considered inaccessible if;

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- (1) the resources are jointly owned by the resident and member(s) of the former household from which the resident fled, and
- (2) the resident's access to such resources requires the consent of both the resident and the member(s) of the former household.
- (n) Non-liquid asset(s) against which a lien has been placed as a result of taking out a business loan and the household is prohibited by the security or lien agreement with the lien holder (creditor) from selling the asset(s).
- (o) Resources of any household member receiving PA. If a resource is jointly held by a Food Stamp household member who is receiving PA and a Food Stamp household member who is not receiving PA, then exclude the amount that was counted in determining the PA eligibility.
- (p) Property, real or personal, to the extent that it is directly related to the maintenance or use of a vehicle excluded under Sections 63-501.521(a), (b) or (f). Only that portion of real property determined necessary for maintenance or use is excludable under this provision.

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- (1) For example, a household which owns a produce truck to earn its livelihood may be prohibited from parking the truck in a residential area. The household may own a 100-acre field and use a quarteracre of the field to park and/or service the truck. Only the value of the quarteracre would be excludable under this provision, not the entire 100-acre field.

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.4 Handling of Excluded Funds

- .41 Excluded funds that are kept in a separate account, and that are not commingled in an account with nonexcluded funds, shall retain their resource exclusion for an unlimited period of time.

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.42 Resources of students and self-employed household members which are excluded in accordance with Section 63-501.3(i) and are commingled in an account with nonexcluded funds, shall retain their exclusion only for the period of time over which they have been prorated as income.

.43 All other funds excluded as resources which are commingled in an account with nonexcluded funds shall retain their exemption only for six months from the date they are commingled. After six months from the date of commingling, all funds in the commingled account shall be counted as a resource.

.5 Resource Values

The value of nonexcluded resources, except licensed vehicles as specified in Section 63-501.52, shall be their equity value. The equity value is the fair market value less encumbrances.

.51 Fair Market Value of Vehicles.

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- .511 The fair market value of automobiles, trucks and vans shall be determined by the value of those vehicles as listed in publications written for the purpose of providing guidance to automobile dealers and loan companies. Publications listing the value of vehicles are usually referred to as "blue books". The CWD shall insure that the blue book used to determine the value of vehicles has been updated within the last six months. The CWD shall assign the wholesale value to vehicles. If the term "wholesale value" is not used in a particular blue book, the CWD shall assign the listed value which is comparable to the wholesale value. The CWD shall not increase the basic value of a vehicle by adding the value of low mileage or other factors such as optional equipment or special equipment for the handicapped. If a new vehicle is not yet listed in the blue book, the CWD shall determine the wholesale value through some other means, such as contacting a car dealer which sells that make of vehicle and asking how much the dealership would offer the household for the car.
- .512 To determine the most appropriate value of a vehicle, the CWD shall obtain from the applicant and/or the vehicle's registration card, the vehicle's year, make, model, and number of doors. If the information for these four items is incomplete, the CWD shall use the lowest blue book value listed to the extent that the vehicle has been identified.
- .513 A household may indicate that for some reason, such as body damage or inoperability, a vehicle is in less than average condition. Any household which claims that the blue book value does not apply to its vehicle shall be given the opportunity to acquire verification of the true value from a reliable source. Also, households shall be asked to acquire verification of the value of licensed antique, custom made, or classic vehicles, if the CWD is unable to make an accurate appraisal. If a vehicle is no longer listed in the blue book, the household's estimate of the value of the vehicle shall be accepted, unless the CWD has reason to believe the estimate is incorrect. In that case, and if it appears that the vehicle's value will affect eligibility, the household shall obtain an appraisal or produce other evidence of its value, such as a tax assessment or a newspaper advertisement which indicates the amount for which like vehicles are being sold.

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EXAMPLE OF BLUE BOOK LISTING -- SEE HARD COPY MANUAL FOR ACTUAL EXAMPLE

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.52 Handling of Licensed Vehicles.

The value of licensed vehicles of household members shall be excluded or counted as a resource as specified in Sections 63-501.521 through .524. The provisions for excluding or counting licensed vehicles shall also apply to ineligible aliens or disqualified individuals whose resources are considered available to the household, in accordance with Section 63-503.44, and unlicensed vehicles on those Indian reservations that do not require vehicles driven by tribal members to be licensed. (See Table I, Determining Value of Licensed Vehicles)

.521 The entire value of any licensed vehicle shall be excluded if the vehicle meets any of the following conditions:

- (a) Used primarily (over 50 percent of the time the vehicle is used) for income-producing purposes such as, but not limited to, a taxi, truck or fishing boat;
- (b) Annually producing income consistent with its fair market value, even if used only on a seasonal basis;
- (c) Necessary for long distance travel, other than daily commuting, that is essential to the employment of a household member; for example, the vehicle of a traveling sales person or a migrant farm worker following the work stream;
- (d) Used as the household's home and, therefore, excluded under Section 63-501.3(a).

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- (e) Necessary to transport a physically disabled household member, including an excluded disabled household member whose resources are being considered available to the household, as specified in Section 63-503.44, regardless of the purpose of such transportation.
 - (1) If the physical disability of the individual is not evident to the eligibility worker, verification shall be required.
 - (2) The individual shall be required to provide a statement from a physician certifying that the individual is physically disabled. The disability may be temporary or permanent.
 - (3) There shall be a limit of one vehicle per physically disabled household member.
 - (4) The vehicle need not have special equipment or be used primarily by or for the transportation of the physically disabled household member. However, a vehicle shall be considered necessary for the transportation of a physically disabled household member if the vehicle is specially equipped to meet the specific needs of the disabled person or if the vehicle is a special type of vehicle that makes it possible to transport the disabled person.
- (f) The exclusions in (a) through (d) of this section will apply when the vehicle is not in use because of temporary unemployment, such as when a taxi driver is ill and cannot work, or when a fishing boat is frozen in and cannot be used.
- (g) Previously used by a self-employed household member engaged in farming but not longer used over 50 percent of the time in farming because the household member has terminated his/her self-employment from farming. The vehicle shall continue to be excluded as a resource for a period of one year from the date of termination.
- (h) If the household depends upon the vehicle to carry fuel for heating or water for home use, when such transported fuel or water is the primary source of fuel or water for the household.

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- .522 All licensed vehicles not excluded under Section 63-501.521 shall individually be evaluated for fair market value and that portion of the value which exceeds the current vehicle exclusion limit, as specified in Section 63-501.522(a), shall be attributed in full toward the household's resource level, regardless of any encumbrances on the vehicles. Any value in excess of the current vehicle exclusion limit shall be attributed to the household's resource level, regardless of the amount of the household's investment in the vehicle, and regardless of whether or not the vehicle is used to transport household members to and from employment. Each vehicle shall be appraised individually. The fair market values of two or more vehicles shall not be added together to reach a total fair market value in excess of the current vehicle exclusion limit.

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- (a) For example, a household owning an automobile with a fair market value of \$5,500 shall have \$4,650 excluded and \$850 applied toward its resource level.

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- .523 Licensed vehicles shall also be evaluated for their equity value, except for:
- (a) Vehicles excluded by Section 63-501.521.
 - (b) One licensed vehicle per household, regardless of the use of the vehicle;

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- (c) Any other licensed vehicles used to transport household members to and from employment or to and from training or education which is preparatory to employment, or to seek employment in compliance with the employment and training criteria. A vehicle customarily used to commute to and from employment shall be covered by this equity exclusion during temporary periods of unemployment. The equity value of licensed vehicles not covered by this exclusion, and of unlicensed vehicles not excluded by Section 63-501.3(c), (d) and (e), shall be attributed toward the household's resource level.
- .524 In the event a licensed vehicle is assigned both a fair market value in excess of the vehicle exclusion limit as specified in Section 63-501.522(a) and an equity value, only the greater of the two amounts shall be counted as a resource.

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- (a) For example, a second car which is not used by a household member to go to work will be evaluated for both fair market value and for equity value. Based on a vehicle exclusion limit of \$4,650, if the fair market value is \$5,000 and the equity value is \$1,000 the household shall be credited with only the \$1,000 equity value, and the \$350 excess fair market value will not be counted.
- .525 In summary, each licensed vehicle shall be handled as follows: First, it will be evaluated to determine if it is excluded as specified in Section 63-501.521. If not excluded, it will be evaluated to determine if its fair market value exceeds the current vehicle exclusion limit. If worth more than the current vehicle exclusion limit, the portion in excess of the limit for each vehicle will be counted as a resource. The vehicle also will be evaluated to see if it is exempt from equity valuation for reasons such as the household's only vehicle or necessary for employment as specified in Section 63-501.523. If not equity exempt, the equity value will be counted as a resource. If the vehicle has a countable market value of more than the current vehicle exclusion limit and also has a countable equity value, only the greater of the two amounts shall be counted as a resource.

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.526 Determining Value of Licensed Vehicles

TABLE 1

| Step 1 | Step 2 | Step 3 |
|---|--|---|
| Totally exclude if: | Determine Fair* Market Value (FMV) | Determine Equity Value* if Not Excluded for the Following Reasons: |
| 1. Income producing (over 50%) | 1. Use "blue book" for wholesale basic value | 1. Excluded under Step 1 |
| 2. Annually producing income consistent with FMV | 2. If above cannot be used, then use: | 2. One car, regardless of use |
| 3. Necessary to employment other than daily commuting, e.g., traveling salesman | <ul style="list-style-type: none"> • Household verification • Newspaper ad • Tax assessment • Other reliable sources | 3. Used to accept or continue employment |
| 4. Household home | | 4. Used to seek or attend training or education preparatory to employment |
| 5. Used to transport a physically disabled household member | | |

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TABLE 1 (Continued)

| Step 1 | Step 2 | Step 3 |
|---|--|--|
| Totally exclude if: | Determine Fair* Market Value (FMV) | Determine Equity Value* if Not Excluded for the Following Reasons: |
| 6. Previously used as income producing by household member self-employed in farming. Exclude for 1 year period from date of termination of self- employment in farming. | | |
| 7. Household depends on vehicle to carry fuel for heating or water for home use when such fuel or water is the primary source of fuel or water for the household. | | |
| IF NONE OF THE ABOVE GO TO STEP 2 | COUNT ONLY THE EXCESS OVER THE CURRENT VEHICLE EXCLUSION LIMIT FOR EACH VEHICLE AND IF THE TOTAL EXCESS DOES NOT EXCEED THE HOUSEHOLD'S VEHICLE EXCLUSION LIMIT THEN THEN GO TO STEP 3 | IF THE FMV AND EQUITY ARE DETERMINED FOR ANY ONE VEHICLE, ONLY THE GREATER OF THE TWO AMOUNTS SHALL BE COUNTED TOWARD THE HOUSEHOLD'S RESOURCE LIMITS |

* Equity value equals FMV less encumbrances.

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.53 Handling of Unlicensed Vehicles

Unlicensed vehicles not excluded by Section 63-501.3(c), (d), and (e), and except those on Indian reservations as specified in Section 63-501.52 shall be evaluated for equity value only. The equity value shall be attributed toward the household's total resources.

.6 Transfer of Resources

.61 At the time of application, households shall be asked to provide information regarding any resources which any household member or ineligible alien or disqualified person whose resources are considered available to the household has transferred within the three-month period immediately preceding the date of application. Households which have transferred resources knowingly for the purpose of qualifying or attempting to qualify for food stamp benefits shall be disqualified from participation in the program for up to one year from the date of the discovery of the transfer. This disqualification period shall be applied if the resources are transferred knowingly in the three-month period prior to application or if they are transferred knowingly after the household is determined eligible for benefits.

.62 Eligibility for the program shall not be affected by the following transfers:

.621 Resources which would not otherwise affect eligibility, for example, resources consisting of excluded personal property such as furniture or of money that, when added to other nonexempt household resources, totaled less at the time of the transfer than the allowable resource limits;

.622 Resources which are sold or traded at, or near, fair market value;

.623 Resources which are transferred between members of the same household; including ineligible aliens or disqualified persons whose resources are considered available to the household;

.624 Resources which are transferred for reasons other than qualifying or attempting to qualify for food stamp benefits, for example, a parent placing funds into an educational trust fund described in Section 63-501.3(h).

63-501 RESOURCE DETERMINATIONS (Continued)**63-501****.63 Notice Requirements**

.631 In the event the CWD establishes that an applicant household knowingly transferred resources for the purpose of qualifying or attempting to qualify for Food Stamp benefits, the household shall be sent a notice of action denying the application and explaining the reason for the length of the disqualification. The period of disqualification shall begin in the month of application.

.632 If the household is participating at the time of the discovery of the transfer, a notice of action explaining the reason for and length of the disqualification shall be sent. The period of disqualification shall be made effective with the first allotment to be issued after the period for timely notice has expired, unless the household has requested a state hearing and continued benefits.

.64 The length of the disqualification period shall be based on the amount by which nonexempt transferred resources, when added to other countable resources, exceeds the allowable resource limits.

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.641 For example, if a one-person household with \$1,250 in the bank, transferred ownership of a car worth \$5,500, \$1,000 of that transfer would be considered because the first \$4,500 of the car's value is exempt. When that \$1,000 is added to the \$1,250 in the bank and applied toward the \$2,000 resource limit, \$250 is left as excess resources and used to determine the period of disqualification.

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.642 The following chart shall be used to determine the period of disqualification.

| Amount in Excess of the Resource Limit | Period of Disqualification |
|---|-------------------------------|
| \$0 to 249.99 | 1 month |
| \$250 to 999.99 | 3 months |
| \$1,000 to 2,999.99 | 6 months |
| \$3,000 to 4,999.99 | 9 months |
| \$5,000 or more | 12 months |

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| 63-501 | RESOURCE DETERMINATIONS (Continued) | 63-501 |
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.65 A transfer of assets to qualify for the Program shall not be treated as a fraudulent action in and of itself. However, concealment and misrepresentation of the assets transfer shall constitute fraud and shall be subject to the intentional Program violation provisions of Section 63-805.

.7 Resources of Nonhousehold Members

The resources of nonhousehold members, as defined in Section 63-402.21, shall be handled in accordance with Section 63-503.45.

.8 Resources of Excluded Household Members

The resources of excluded household members, as defined in Sections 63-402.221, .222, .223, and .224, shall be handled in accordance with Section 63-503.44. The income and resources of excluded household members, as defined in Sections 63-402.225, .226, and .227, shall be handled in accordance with Section 63-503.45.

NOTE: Authority cited: Sections 10553, 10554, 11209, and 18904, Welfare and Institutions Code. Reference: Sections 10554, 18901, and 18904, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 272.8(e)(17); 7 CFR 273.2(j)(4); and 7 CFR 273.8(e)(11), (12)(ii), and (18); 7 CFR 273.8(h); Public Law (P.L.) 100-50, Sections 22(e)(4) and 14(27), enacted June 3, 1987; P.L. 101-201; P.L. 101-426, Section 6(h)(2), as specified in United States Department of Agriculture (U.S.D.A.), Food and Nutrition Service (FNS), Administrative Notice (AN) 91-37; P.L. 101-508, Section 11111(b); P.L. 101-624, Section 1715; P.L. 102-237, Section 905, as specified in Federal Administrative Notice 92-12, dated January 9, 1992; Section 2466d., Title 20, United States Code (U.S.C.); 7 U.S.C. 2014(d); 26 U.S.C. 32(j)(5); 42 U.S.C.A. 5122 as amended by P.L. 100-707, Section 105(i); U.S.D.A., FNS, ANs 91-30 and 94-39; Index Policy Memo 90-22, dated July 12, 1990; U.S.D.A., FNS, AN 94-58, dated July 5, 1994; and P.L. 104-193, Sections 810 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996).

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS | 63-502 |
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.1 Income Definition

.11 Gross income shall include:

.111 All income from whatever source, except as specified in Section 63-502.12 and excluding only those items in Section 63-502.2.

.112 All earned income as specified in Section 63-502.13 and all unearned income as specified in Section 63-502.14.

.12 Income shall not include the following:

.121 Monies withheld from an assistance payment, earned income, or other income source, or monies received from any income source which are voluntarily or involuntarily returned, to repay a prior overpayment received from that income source, provided that the overpayment was not excludable under Section 63-502.2, or due to the household's failure to comply as specified in Section 63-502.17.

.122 Child support payments received by AFDC recipients, directly from a nonhousehold member, which must be transferred to the District Attorney's office or other county agency administering Title IV-D (Child Support Requirements) of the Social Security Act, to maintain AFDC eligibility.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- .13 Earned income shall include:
- .131 All wages and salaries of an employee.
 - .132 The gross income from a self-employment enterprise, including the total gain from the sale of any capital goods or equipment related to the business, excluding the costs of doing business as provided in Sections 63-502.2 and 63-503.415(d).
 - (a) Ownership of rental property shall be considered as self-employment enterprise; however, income derived from the rental property shall be considered earned income only if a member of the household is actively engaged in the management of the property at least an average of 20 hours a week.
 - (b) Payments from a roomer or boarder, except foster care boarders as specified in Section 63-402.322 shall also be considered self-employment income.
 - .133 Training allowances from vocational and rehabilitation programs recognized by federal, state, or local governments, to the extent they are not a reimbursement.
 - .134 Payments to volunteers under Title I (VISTA) of the Domestic Volunteer Service Act excluding payments made to households specified in Section 63-502.2 who at the time they joined VISTA, were not receiving public assistance or food stamps.
 - .135 Earnings of individuals who are participating in on-the-job training programs under the Job Training Partnership Act (JTPA) of 1982 or Title I of the National and Community Services Act (NCSA) of 1990, except as specified in Sections 63-507(a)(4) and (a)(17)(A). The NCSA includes programs under the Serve America, American Conservation and Youth Corps, and National and Community Service subtitles.
 - .136 Any portion of strikers' benefits which are received as compensation for picketing.
 - .137 Work study income which has not been excluded by federal statute, as specified in Section 63-502.2(l)(4), or through application of allowable exclusions as specified in Section 63-502.2(e).
- .14 Unearned income shall include, but not be limited to:
- .141 Assistance payments from Aid to Families with Dependent Children (AFDC), General Assistance/General Relief (GA/GR), Refugee Cash Assistance (RCA), Entrant Cash Assistance (ECA), or other assistance programs based on need except as specified in Section 63-501.111.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- (a) Such assistance is considered to be unearned income even if provided in the form of a vendor payment (provided to a third party on behalf of the household), unless the vendor payment is specifically exempt from consideration as countable income as specified in Section 63-502.2(b)(2).
 - (b) Assistance payments from programs which require, as a condition of eligibility, the actual performance of work without compensation other than the assistance payments themselves, shall be considered unearned income, except for special allowances excluded under Section 63-502.2(f)(1).
- .142 Annuities, pensions, retirement, veteran's, or disability benefits; worker's or unemployment compensation; old-age, survivors, or social security benefits; strikers' benefits except as specified in Section 63-502.135; foster care payments for children or adults who are members of the food stamp household as specified in Section 63-402.322(b);
- .143 Gross income minus the cost of doing business derived from rental property in which a household member is not actively engaged in the management of the property at least an average of 20 hours a week.
- .144 Support or alimony payments made directly to the household from nonhousehold members, except as provided in Section 63-502.122.
- .145 Scholarships, educational grants, fellowships, deferred payment loans for education, veteran's educational benefits and the like which have not been excluded by federal statute, as specified in Section 63-502.2(l)(4) or through application of allowable exclusions as specified in Section 63-502.2(e).
- .146 Payments from government-sponsored programs, dividends, interest, royalties, and all other direct money payment from any source which can be construed to be a gain or benefit.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- .147 Monies which are withdrawn or dividends which are or could be received by a household from an excluded trust fund [see Section 63-501.3(h)]. Such trust withdrawals shall be considered income in the month received, unless excluded under Section 63-502.2. Dividends which the household has the option of either receiving as income or reinvesting in the trust are to be considered as income in the month they become available to the household unless excluded under Section 63-502.2.
- .148 Reimbursements which exceed total expenses or which are intended to cover living expenses, such as food, rent, and clothing.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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.149 Monies that are legally obligated and otherwise directly payable to the household, but which are diverted by the provider of the payment to a third party for a household expense shall be counted as income and not excluded as a vendor payment. The distinction is whether the person or organization making the payment on behalf of a household is using funds that otherwise would have to be paid to the household.

(a) This does not apply to payments made to landlords or mortgagees by the Department of Housing and Urban Development (HUD). HUD payments are excluded from income as a vendor payment. Such payments include housing and/or utility payments.

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Such funds include wages earned by a household member and therefore owed to the household, a public assistance grant to which a household is legally entitled, and support or alimony payment in amounts which legally must be paid to a household member. If an employer, agency, or former spouse who owes these funds to a household diverts them instead to a third party to pay for a household expense, these payments shall still be counted as income to the household.

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.15 In accordance with Section 63-503.441, the earned or unearned income of the following individuals shall be counted in its entirety as income to the remaining household members.

.151 Individuals excluded from participation for committing intentional Program violations as provided in SDSS' Manual of Policies and Procedures, Division 20, Chapter 20-300.

.152 Individuals sanctioned by a CWD while a participating member of a household disqualified for failure to comply with the CWD's Workfare Program requirements.

.16 The earned or unearned income of the following excluded individuals shall be counted as income to the remaining household members in accordance with Section 63-503.442.

.161 Individuals excluded from households for failing to comply with the SSN requirements in accordance with Section 63-404.4.

.162 Individuals excluded from households for being an ineligible alien in accordance with Section 63-403.2.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- .17 Income shall also include monies withheld from AFDC and GA/GR grants or other federal, state or local means-tested programs due to the household's failure to comply with that program's requirements. See Section 63-503.5.
- .171 For purposes of this section, "means-tested" means that the household's financial circumstances are considered in determining eligibility and/or benefit level, and these means-tested programs make publicly-funded payments to the household.
- .18 Net income shall mean gross income minus deductions, as specified in Section 63-502.3 and calculated in accordance with Section 63-503.31.
- .2 Income Exclusions. Only the following items shall be excluded from household income:
- (a) In-Kind Benefits
- (1) Any gain or benefit which is not in the form of money payable directly to the household, including nonmonetary or in-kind benefits, such as, but not limited to meals, clothing, public housing, or produce from a garden.

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(A) For Example:

If the employer provides housing to an employee, the value of the housing shall not be counted as income.

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- (2) Direct payments received in lieu of in-kind benefits due to the household's participation in a demonstration project authorized under federal law, or demonstration projects created by the waiver of federal provisions.
- (b) Vendor payments. Money that is not legally obligated to be paid to the household, but which is paid to a third party for a household expense by a person or organization outside of the household.
- (1) Wages earned by a household member that are garnished or diverted by an employer, and paid to a third party for a household's expenses, such as rent, shall be considered as income. However, if the employer pays a household's rent directly to the landlord in addition to paying the household its regular wages, this rent payment shall be excluded as a vendor payment.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- (2) A GA/GR vendor payment shall not be counted as income to the household, except if the payment is for housing or energy assistance. However, any portion of the GA/GR vendor payment for housing or energy assistance that is over and above the normal GA/GR grant would be considered emergency or special assistance, as specified in Sections 63-502.2(b)(2)(E) and 63-502.2(b)(3), and shall be excluded as income.

An AFDC, RCA, or ECA payment shall be considered an excludable vendor payment and not counted as income to the household if that payment is for:

- (A) Medical assistance;
- (B) Child care assistance;
- (C) Housing assistance payments made to a third party on behalf of a household residing in transitional housing [see Section 63-102(t)] for the homeless; or
- (D) Emergency assistance provided to a third party on behalf of a migrant or seasonal farmworker household during the period household is in the job stream.

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- 1. This assistance may include, but is not limited to, emergency vendor payments for housing or transportation.

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- (E) Emergency or special assistance (as specified in Section 63-502.2(b)(3)).

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- (3) All or part of an AFDC, GA/GR, RCA, or ECA grant which would normally be provided in a money payment to the household, but which is diverted to third parties or to a protective payee for purposes such as managing a household's expenses, shall be considered income to the household, except as specified in Section 63-502.2(b)(2). However, any payment by the CWD that would not normally be provided in a money payment to the household, and that is over and above the normal AFDC, GA/GR, RCA, or ECA grant, would be considered emergency or special assistance and shall be excluded as income if it is made directly to a third party for a household expense.

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If it is not clear that a certain type of AFDC, GA/GR, RCA, or ECA vendor payment is covered under this general exclusion policy, the CWD may apply, in writing, through SDSS to the FNS Regional Office for a determination of whether these vendor payments, that the CWD believes are provided for emergency or special circumstances, should be excluded.

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- (4) Deferred educational loans, grants, scholarships, fellowships, veterans' educational benefits, and the like, are legally obligated to the household and therefore are not vendor payments.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- (c) Cash donations received from one or more private, nonprofit charitable organizations of not more than \$300 in a calendar quarter i.e. January-March, April-June, July-September, October-December.

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- (1) For example, in a calendar quarter January through March, the household received \$100 in January, \$100 in February and \$200 in March, for a total of \$400 from two private nonprofit charitable organizations. The \$100 in January, \$100 in February and \$100 of the \$200 in March will be excluded for a total of \$300 which can be excluded under this provision. The remaining \$100 received in March will be counted as income to the household.

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- (d) Any prospectively budgeted income in the certification period which is received too infrequently or irregularly to be reasonably anticipated, but not in excess of \$30 in a quarter.
- (e) Educational assistance not otherwise excluded by federal statute as specified in Section 63-507(a)(6), to the extent that it is either earmarked by the lender, used for, or intended to be used for, allowable educational expenses at qualifying institutions as specified in Section 63-502.2(e)(3).

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- (1) The educational assistance may be in the form of loans on which payment is deferred, grants, scholarships, work study, fellowships, veterans' educational benefits, and the like.
- (2) Allowable educational expenses include tuition and mandatory fees (including the rental or purchase of any equipment, materials, and supplies related to the pursuit of the course of study involved), books, supplies, transportation, dependent care, miscellaneous personal expenses (other than living expenses, such as rent or mortgage, personal clothing, or food eaten at home), and origination fees and insurance premiums on student loans.
- (3) Qualifying institutions are: those providing secondary or post-secondary education or the equivalent of a secondary diploma, including correspondence schools at these levels; a school at any level for the physically or mentally handicapped; or a vocational education program.
 - (A) For the purpose of this provision, institution of post-secondary education means any public or private educational institution which: (a) meets the definition of institution of higher education as specified in Section 63-102(i), or (b) admits persons who are beyond the age of compulsory school attendance in the state in which the institution is located. The institution must be legally authorized or recognized by the state to provide: (a) an educational program beyond secondary education in the state, or (b) a program of training to prepare students for gainful employment.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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(4) The CWD shall verify all factors affecting Section 63-502.2(e). The student shall be responsible for providing the CWD with information to document:

(A) Amounts claimed for tuition, mandatory fees, books, supplies, transportation, dependent care and miscellaneous personal expenses.

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In order to document claimed costs a student may use, but is not limited to, student budgets, award letters, and/or receipts.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- (B) Until such time as appropriate verification is presented to the CWD, any portion of assistance received which is not verified shall not be excluded.
 - (C) Excludable expenses claimed by the student shall not exceed the value of the total amount of educational assistance received.
- (f) All loans, including loans from private individuals as well as commercial institutions, other than educational loans on which repayment is deferred as specified in Section 63-502.2(e).
- (g) Reimbursement for past or future expenses, to the extent they do not exceed actual expenses, and do not represent a gain or benefit to the household. Reimbursements for normal household living expenses such as rent or mortgage, personal clothing, or food eaten at home are a gain or benefit and, therefore, are not excluded. To be excluded, these payments must be provided specifically for an identified expense, other than normal living expenses, and used for the purpose intended. When a reimbursement, including a flat allowance, covers multiple expenses, each expense does not have to be separately identified as long as none of the reimbursement covers normal living expenses. The amount by which a reimbursement exceeds the actual incurred expense shall be counted as income. However, reimbursements shall not be considered to exceed actual expenses, unless the provider or the household indicates the amount is excessive.
- (1) Excludable reimbursements which are not considered to be a gain or benefit to the household include, but are not limited to the following:
 - (A) Reimbursements or flat allowances, including reimbursements made to the household as specified in Section 63-407.83, for job- or training-related expenses such as travel, per diem, uniforms and transportation to and from the job or training site. Reimbursements which are provided over and above the basic wages for these expenses are excluded; however, these expenses, if not reimbursed, are not otherwise deductible. Reimbursements for the travel expenses incurred by migrant workers are also excluded.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- (B) Reimbursements for out-of-pocket expenses of volunteers incurred in the course of their work.
- (C) Medical, as specified in Section 63-502.331, or dependent care reimbursements.
- (D) Reimbursements received by households to pay for services provided by Title XX of the Social Security Act.
- (E) Reimbursements made to the household, as specified in Section 63-407.83, for expenses necessary for participation in an education component under the FSET Program.
- (F) Payments or reimbursements made under an employment, education or training program initiated under Title IV-A of the Social Security Act after September 19, 1988, such as payments for GAIN supportive services.
- (G) Any allowance provided by the state or county no more frequently than annually for children's clothes when the children enter or return to school or daycare, except as specified in Section 63-502.2(g)(2)(C). Verification of attendance at school or daycare is not required.
- (H) Reimbursements received by households for participation in the GAIN Program.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- (2) The following shall not be considered a reimbursement excludable under this provision:
- (A) Portions of benefits provided under Title IV-A of the Social Security Act for work-related or child care expenses when adjustments have been made to the PA payments, except for such expenses made under an employment, education or training program initiated under Title IV-A after September 19, 1988.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- (B) Clothing allowances specified in Section 63-502.2(g)(1)(F) if the monthly AFDC grant is reduced by the amount of the allowance during the month in which the allowance is provided.
- (h) Monies received and used for the care and maintenance of a third-party beneficiary who is not a household member. If the intended beneficiaries of a single payment are both household and nonhousehold members, any identifiable portion of the payment intended and used for the care and maintenance of the nonhousehold member shall be excluded. If the nonhousehold member's portion cannot be readily identified, the payment shall be evenly prorated among the intended beneficiaries and the exclusion applied to the nonhousehold member's pro rata share or the amount actually used for the nonhousehold member's care and maintenance, whichever is less.
- (i) The earned income (as defined in Section 63-502.13) of children who are members of the household, who are elementary or secondary school students at least half time, and who have not attained their 18th birthday at the beginning of the budget month except as specified in Section 63-507(a)(4)(A). The exclusion shall continue to apply during temporary interruptions in school attendance due to semester or vacation breaks, provided the child's enrollment will resume following the break. If the child's earnings or amount of work performed cannot be differentiated from that of other household members, the total earnings shall be prorated equally among the working members and the child's pro rata share shall be excluded. Individuals are considered children for purposes of this provision if they are under the parental control, as defined in Section 63-102p.(1), of another household member.
- (j) Money received in the form of a nonrecurring lump-sum payment, including, but not limited to, income tax refunds, rebates, or credits; retroactive lump-sum social security, railroad retirement benefits, or other payments; retroactive payments from the approval of an application for any assistance program; AFDC homeless assistance payments for temporary shelter or permanent housing [see Section 63-102(h)]; court ordered retroactive payments for any assistance program; supplemental or corrective payments received for a previous month from any assistance program; lump-sum insurance settlements; or refunds of security deposits on rental property or utilities. These payments shall be counted as resources in the month received, in accordance with Section 63-501.111 unless specifically excluded from consideration as a resource by other federal laws as specified in Section 63-501.3(l), Section 63-506 or Section 63-507.
- (k) The cost of producing self-employment income. The procedures for computing the cost of producing self-employment income are specified in Section 63-503.415.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- (l) Income that is specifically excluded for Food Stamp purposes by any other federal statute as specified in Section 63-507.
- (m) Repealed by Manual Letter No. FS-91-06, effective 8/1/91.
- (n) Any payment made to an FSET Program participant, as specified in Section 63-407.83, for costs that are reasonably necessary and directly related to participation in the FSET Program.
 - (1) These costs include, but are not limited to:
 - (A) Dependent care costs, including the value of any dependent care service provided or arranged by the CWD;
 - (B) Transportation; and
 - (C) Other expenses related to work, training or education, such as uniforms, personal safety items or other necessary equipment and books or training manuals.
 - (2) These costs shall not include the cost of meals away from home.
- (o) Foster care payments received by households with foster care boarders who are not part of the food stamp household.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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.3 Income Deductions

The CWDs shall allow the income deductions contained in this section when determining the Food Stamp household's net income eligibility and benefit level. The standard deduction, excess medical deduction, homeless standard shelter allowance, and the excess shelter deduction are: promulgated and updated by the USDA; published, as specified in 7 CFR 273.9(d)(1), (3), and (5); and to be implemented upon their effective date. The amounts for the earned income deduction and the dependent care deduction for nonelderly households are determined by federal law and published by the USDA in 7 CFR 273.9(d)(2) and (4), respectively. The current amounts are reproduced in Handbook Section 63-1101. Deductions shall be allowed only for the following:

.31 Standard Deduction

The standard deduction is allowed on a per household, per month basis.

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.32 Earned Income Deduction

The earned income deduction is a percentage of gross earned income as defined in Section 63-502.1. Earnings excluded in Section 63 of computing the earned income deduction.

.33 Excess Medical Deduction

The excess medical deduction is the portion of medical expenses in excess of the allowable amount per month, excluding special diets, incurred by any household member who is elderly or disabled as defined in Section 63-102(e). Spouses or other persons receiving benefits as a dependent of the disability recipient are not eligible to receive this deduction.

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.331 Allowable medical expense items are:

- (a) Medical and dental care including psychotherapy and rehabilitation services provided by a licensed practitioner or other qualified health professional authorized by state law (see Section 63-102);
- (b) Hospitalization or outpatient treatment, nursing care, and nursing home care, including payments by the household for an individual who was a household member immediately prior to entering a hospital or nursing home, provided by a facility authorized under state law;
- (c) Prescription drugs when prescribed by a licensed practitioner authorized under state law and other over-the-counter medication (including insulin) when prescribed by a licensed practitioner or other qualified health professional. In addition, costs of medical supplies, sick-room equipment (including rental) or other prescribed equipment are deductible;
- (d) Health and hospitalization insurance policy premiums. (The costs of sickness and accident policies such as those payable in lump-sum settlements for death or dismemberment or income maintenance policies such as those that continue mortgage or loan payments while the beneficiary is disabled are not deductible);
- (e) Medicare premiums related to coverage under Title XVIII of the Social Security Act; any share of cost or spend down expenses for medical costs incurred by Medi-Cal recipients;
- (f) The cost of securing and maintaining any service animal such as, but not limited to, seeing eye, hearing or service dogs, and the cost of related food and veterinarian bills;
- (g) Eye glasses or contact lenses prescribed by a physician skilled in eye disease or by an optometrist; dentures, hearing aids and prosthetics (including assistive devices);

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- (h) Actual cost of transportation provided that the allowance shall not exceed the actual cost of the least expensive mode of transportation (including common carrier) reasonably available to the recipient; and lodging to obtain medical treatment or services. When a more costly means of transportation, such as a taxi or private auto is the only means available, or has been determined by the county to have been reasonable and necessary given the individual's medical circumstances, the actual costs of such transportation shall be allowed.
- (i) Maintaining an attendant, homemaker home health aide or child care services housekeeper, necessary due to age, infirmity, or illness. In addition, an amount equal to the one person coupon allotment shall be deducted if the household furnishes the majority of the attendant's meals. The allotment for this meal related deduction shall be that in effect at the time of the most recent certification. The EW shall update the allotment amount at the next scheduled recertification, or next recomputation, or the next reported change by the household, whichever is earlier. If a household incurs attendant care costs that could qualify under both the medical deduction and dependent care deduction, it shall be treated as a medical expense.

.34 Dependent Care Deduction

The dependent care deduction is the actual cost not to exceed the maximum dependent care deduction for the care of a child or other dependent.

.341 The dependent care cost shall be allowed as a deduction when necessary for a household member to:

- (a) Accept or continue employment;
- (b) Comply with the Food Stamp Employment Training (FSET) Program requirements as specified in Section 63-407.8 or an equivalent effort to seek employment by those not subject to FSET; or
- (c) Attend training or pursue education which is preparatory to employment.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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.342 If the Food Stamp eligible household member(s) shares dependent care costs with others, the household's deduction amount shall be determined as specified in Section 63-502.36.

.35 Homeless Shelter Deduction

.351 The homeless shelter deduction is available to homeless households who are not receiving free shelter for the entire month, fiscal or calendar, depending on the county's issuance cycle. If the homeless shelter deduction is used, separate utility costs may not be claimed since this allowance includes a utility cost component.

.352 All homeless households which incur, or reasonably expect to incur, shelter costs during a month shall be eligible to use the homeless shelter deduction without providing verification of the shelter costs. Higher shelter costs may be used if verification is provided.

.353 Homeless households which do not incur shelter costs during the month shall not be eligible for the homeless shelter deduction.

.36 Excess Shelter Deduction

The excess shelter deduction is monthly shelter costs in excess of 50 percent of the household's income after all other applicable deductions in Sections 63-502.31, .32, .33 and .34 have been allowed. The excess shelter deduction shall not exceed the current maximum, unless the household contains a member who is elderly or disabled as defined in Section 63-102(e).

.361 If the Food Stamp eligible household member(s) shares shelter costs with others, the household's deduction amount shall be determined as specified in Section 63-502.37.

.362 Shelter costs shall include only the following:

- (a) If actual verified homeless shelter costs are higher than the homeless shelter deduction, the actual cost may be used as a housing cost instead of a homeless shelter deduction and utility costs may be claimed.
- (b) Continuing costs for the shelter occupied by the household, including rent, mortgage, or other continuing costs leading to the ownership of the shelter such as loan repayments for the purchase of a mobile home, including interests on such payments. One-time deposits, such as security deposits, shall not be included as shelter costs.

| | | |
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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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- (c) Property taxes, state and local assessments, and insurance on the structure itself, but not separate costs for insuring furniture or personal belongings.
 - (d) The cost of heating and cooking fuel; cooling and electricity; water and sewerage; garbage and trash collection fees; the basic service and rental fee for one telephone, including tax on the basic fee; and fees charged by the utility provider for initial installation of the utility. One-time deposits shall not be included as shelter costs.
 - (e) The shelter costs for the home if temporarily not occupied by the household because of employment or training away from home, illness, or abandonment caused by natural disaster or casualty loss. For costs of a home vacated by the household to be included in the household's shelter costs, the household must intend to return to the home; the current occupants of the home, if any, must not be claiming the shelter costs for food stamp purposes; and the home must not be leased or rented during the absence of the household.
 - (f) Costs for the repair of the home which was substantially damaged or destroyed due to a natural disaster such as a fire or flood. Shelter costs shall not include costs for repair of the home that have been or will be reimbursed by private or public relief agencies, insurance companies, or from any other source.
- .363 Standard Utility Allowance (SUA)
- (a) Entitlement to SUA
 - (1) The SUA may be used in calculating shelter costs of those households which incur heating or cooling costs separate and apart from their rent or mortgage payments. This includes residents of rental housing who are billed on a monthly basis by their landlords for actual usage as determined through individual metering.
 - (A) Households who are using the homeless shelter deduction shall not be entitled to the SUA because a utility component is included in the homeless shelter deduction.

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued)**63-502**

- (2) The SUA shall also be made available to households receiving energy assistance payments made under the Low Income Home Energy Assistance Act (LIHEAA) of 1981. Households which receive energy assistance vendor payments made under a program other than the LIHEAA of 1981, are eligible for the SUA only if they continue to incur out-of-pocket heating or cooling expenses during any month covered by the certification period. To determine if a household incurs an out-of-pocket heating or cooling expense in addition to the energy assistance vendor payments, the CWD shall prorate the energy assistance vendor payments over the entire heating or cooling season the payment is intended to cover.
- (3) Food stamp households have the option of choosing either the actual utility costs or the SUA, if they are eligible for SUA. When two or more households are in a shared living situation, the total amount of utility costs used to determine the amount of the deduction for each household shall not exceed the total amount of actual utility costs or SUA for the residence based on the option chosen by the food stamp household, as explained in the first sentence of this section.

 - (A) A prorated SUA may not be used in conjunction with actual utility expenses, as the combined amount of the deductions may exceed the actual utility cost or SUA for the residence.
- (4) If the CWD is unable to accurately determine the pro rata share of utility costs paid by the parties, the actual utility cost paid by the food stamp household shall be used.
- (5) Households living in a public housing unit or other rental housing unit which has central utility meters and are charged for only excess utility costs shall not be entitled to claim the SUA. Households not entitled to the SUA may claim actual utility expenses for any utility which they pay separately. However, a household cannot simultaneously claim both the SUA and actual utility expenses. Verification of utility expenses shall be made as specified in Sections 63-300.51(f) and 63-504.341.

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued)**63-502**

- (b) A standard telephone allowance of \$20 shall be used only in instances where the household has a telephone, or in its absence, an equivalent form of communication and is not entitled to the SUA. If the household's actual telephone service fee is greater than the standard allowance, and it represents the lowest available rate to the household, the household may request to have the actual service fee used. The household must be able to verify the actual cost claimed. Failure to have a telephone will not preclude use of the full SUA.
- (c) Except as provided in Section 63-502.352(b), the household entitled to the SUA shall be advised at initial certification and recertification that it may, instead of using the SUA, deduct its total actual utility costs if the household can verify these costs.
- (d) The SUA for food stamp households shall be adjusted annually by SDSS to reflect increases or decreases in the cost-of-living occurring after June, 1982. The first such adjustment becomes effective January 1, 1983 and subsequent adjustments shall take effect each January 1 through September 30, 1994. The SUA annual adjustments shall take effect each October 1, beginning October 1, 1994.
 - (1) The cost-of-living shall be calculated by CDSS based on the weighted average of the Fuel and Other Utilities Index of the Consumer Price Index for All Urban Consumers (CPI-U), when published by the U.S. Department of Labor, Bureau of Labor Statistics for Los Angeles-Long Beach-Anaheim and San Francisco-Oakland. The weighting factor for each area is as used by the State Department of Industrial Relations to calculate the California Consumer Price Index (CCPI).
 - (2) The percentage change to be determined shall be for a 12-month period ending with March of the same year for which the cost-of-living adjustment will take effect. The SUA in effect during the month of October preceding the calendar year in which the adjustment is to take place will be increased/decreased by the 12-month percentage change, with the resulting SUA to be rounded to the nearest dollar. The result shall constitute the new SUA (see Handbook Section 63-1101.26).
- (e) When the SUA is revised due to the annual adjustments, it shall be applied to all households on the effective date of the revised SUA (see Handbook Section 63-1101.26). The change to the new SUA shall not be considered a switch from the actual amounts to the SUA for purposes of Section 63-502.352(c).

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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.37 Shared Living Expense Deductions

Shared living expenses include allowable shelter, utility and/or dependent care expenses which the Food Stamp eligible household member(s) shares with an excluded/ineligible household member(s) or another household which may or may not be participating in the Food Stamp Program.

.371 Treatment of Separate Households

The food stamp household may live with another household(s) which may or may not participate in the Food Stamp Program. If these households share shelter and/or utility expenses, the CWD will either allow actual expenses for each household or allow actual shelter expenses and divide the standard utility allowance equally by the number of the households contributing to the expense.

- (a) Under no circumstance is the total amount of utility costs used to determine the amount of the deduction to exceed the total amount of the actual utility costs or SUA for the residence.
- (b) For the food stamp household(s), the CWD shall use the household's share of utility expense to then determine the Food Stamp household's utility deduction and the household's actual shelter expense to determine the shelter deduction, based on its household composition.
- (c) When the food stamp household contains excluded members, refer to Sections 63-502.362, .363 and .364 to determine the allowable deduction.

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued)**63-502**

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(d) UTILITY ALLOWANCE DECISION CHART**IF THE HOUSEHOLD (HH) ...****THEN ...****SEPARATE RESIDENCE-SEPARATE METER**

- | | | |
|-----|--|---|
| (1) | Lives in a separate residence and pays heating and cooling based on its own metered usage. | Allow full SUA or actual costs, based on HH choice. |
|-----|--|---|

SEPARATE RESIDENCE-SHARED METER

- | | | |
|-----|--|--|
| (2) | Lives in a separate residence from another HH but shares a meter and each HH is billed a percentage of the utilities by a nonresident landlord. | Allow actual costs for both HHs. |
| (3) | Lives in a separate residence but shares utility meter, and one HH is billed for the cooling and/or heating, and the other pays a percentage of the total bill (neither HH is the landlord). | Allow full SUA or actual net costs for the HH which is billed (HH's choice), the other is allowed the actual costs. May mix SUA and actuals because of separate residence. |
| (4) | Lives in separate residence and shares the meter - HH #1 billed for the heating and HH #2 for cooling. | Allow full SUA or actual costs for each HH. May mix because of separate residence. |

SHARED RESIDENCE (Refer to Section 63-502.364 if HH has excluded members.)

- | | | |
|-----|--|---|
| (5) | Shares a residence, shares billed expenses, including but not limited to each paying a percentage or portion, or one HH pays for the heating costs and the other pays for the cooling. | If the FSHH chooses SUA, divide the SUA among the number of households contributing. Allow FSHH's pro rata share of the SUA. If FSHH chooses actual expenses, allow the actual amount paid. |
|-----|--|---|

HANDBOOK CONTINUES

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- | | | |
|-----|--|---|
| (6) | Shares a residence - HH #1 is billed for utilities and HH #2 pays rent including utilities. | Allow full SUA or actual expenses for HH #1 (HH's choice). Allow actual housing costs (rent) and no separate utilities for HH #2 because the utility costs are included in its rent. |
| (7) | Shares a residence - HH #1 is billed and HH #2 pays a flat amount to HH #1 for utilities separate from rent. | If the FSHH chooses SUA, divide the SUA among the number of households contributing. Allow FSHH's pro rata share of the SUA. If FSHH chooses actual expenses, allow actual amount paid. |

HOMELESS HOUSEHOLDS

- | | | |
|-----|--------------------------------------|----------------------|
| (8) | Receives Homeless Shelter Deduction. | Not entitled to SUA. |
|-----|--------------------------------------|----------------------|

HANDBOOK ENDS HERE

.372 Food Stamp Households with Excluded Members

The CWD must identify which excluded members are contributors. Contributors are those household members who share the residence and the expense of that residence by paying or obligating money from their separate income or resources.

(a) IPV Disqualifications and/or Workfare/Work Sanctions

If the food stamp household shares deductible expenses with members who are excluded because they are IPV disqualified or have been sanctioned for refusing to fulfill workfare or work requirements, the entire rent and utility amounts are counted as deductions for the Food Stamp household budget.

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued)**63-502****(b) Ineligible Aliens and/or SSN Disqualifications**

If the food stamp household members who are ineligible aliens or members excluded for SSN disqualification pay part or all of the deductible expenses, the expenses will be prorated among all members and only the eligible members' share is counted as the deduction. Refer to MS 63-502.364 for instructions on how to prorate.

(1) If any ineligible alien contributes to the household expenses, all ineligible aliens of that household are counted in the proration. If any SSN disqualified member contributes to the household expense, all SSN disqualified members of that household are counted in the proration.

(2) To be considered a contributor the ineligible alien or SSN disqualified member must actually be using his/her income or resources to contribute. If s/he is acting solely as an agent or payee for another household member, s/he would not be prorated.

(A) Any of these members who have income must be included in the proration of expenses.

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(3) EXAMPLE: Household composition:

Father - an ineligible alien, does not contribute to expenses
Mother - an eligible alien receiving AFDC, contributes to expenses
Two children receiving AFDC

The CWD would not consider the father in the proration calculation solely based on his relationship with the mother. He is not calculated into the proration **because he does not contribute.**

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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(c) SSI recipients and/or Excluded Students

If the food stamp household shares deductible expenses with members who are excluded because they are SSI recipients or excluded students, amounts contributed by those excluded members shall be deducted from the allowable expense. Only the remaining dollar amount shall be allowed as the Food Stamp household's deduction.

- (1) If payments or contributions made by these excluded members cannot be differentiated, the expenses shall be prorated evenly among the members contributing to the expense and only the food stamp household's pro rata share is counted as the deduction.
- (2) If an SSI recipient and/or excluded student household member does not contribute to the household expenses, he/she is not counted in the proration.

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.373 CWDs may use the following chart when calculating shelter expenses in shared living situations. Additionally, the following steps may be helpful in the calculation process:

- (a) Determine the number of households sharing the residence (refer to MS 63-502.361). Use household composition rules and the Decision Chart below.
- (b) Determine the number of households contributing to the expense.
- (c) Determine the amount of the Food Stamp household's contribution. See the Rent and Utilities sections of the Decision Chart below.
- (d) If the Food Stamp household contains excluded members, see the Decision Chart below.

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HANDBOOK CONTINUES

DEDUCTION DECISION CHART IN SHARED LIVING ARRANGEMENTS

| | <u>Within Residence</u> | | <u>Within FSHH</u> | |
|--|---|--|--|--|
| | Separate HHs: Includes roomers, attendants, or others who live with HH but purchase and prepare separately (i.e., another family) | IPV/Work Sanction Within the FSHH | SSI/Recipient Excluded Student Within the FSHH | Ineligible Alien/SSN Disqualified Within the FSHH |
| HH Composition Test: Would the person(s) be an otherwise eligible HH member(s), per HH composition rules? (M.S. 63-402.1) | No. | Yes, as determined by HH composition rules. Items below apply. | Yes, as determined by HH composition rules. | Yes, as determined by HH composition rules. If yes, then items below apply. |
| Shelter (M.S. 63-502.35) | <p>Allow actual amount paid by FSHH as its deduction.</p> <p>If contribution cannot be differentiated, prorate by the number of HHs contributing.</p> | Count total of eligibles' and IPV/Work sanctioned excluded members' rent in FS budget. | <p>Deduct contribution of excluded members from expense, and allow the FSHH the remainder as its deduction.</p> <p>If contribution cannot be differentiated, prorate and allow only the portion attributed to eligible HH members.</p> | Prorate expense: Divide evenly among eligibles and these excluded members; count eligibles' share. |

HANDBOOK CONTINUES

HANDBOOK CONTINUES

DEDUCTION DECISION CHART IN SHARED LIVING ARRANGEMENTS (Continued)

| | <u>Within Residence</u> | | <u>Within FSHH</u> | |
|--|--|--|---|--|
| | Separate HHs: Includes roomers, attendants, or others who live with HH but purchase and prepare separately (i.e., another family) | IPV/Work Sanction Within the FSHH | SSI/Recipient Excluded Student Within the FSHH | Ineligible Alien/SSN Disqualified Within the FSHH |
| Utilities SUA or Actuals (M.S. 63-502.353) | If FSHH is eligible for and chooses SUA, prorate: Divide the SUA evenly among number HHs contributing. Allow FSHH's pro rata share. Allow actuals if FSHH chooses. | Count total of eligibles' and IPV/work sanctioned excluded members' SUA or actuals in FS budget. | Known contribution: Deduct from total; allow amount paid by FSHH as deduction. Unknown contribution: Prorate: Divide evenly among eligibles and excluded members contributing; allow eligible members' share. | Prorate expense: Divide evenly among eligibles and these excluded members; count eligibles' share. |
| Resources (M.S. 63-501.1) | Not available to FSHH. | Count all. | Not available to FSHH. | Count all. |
| Income (M.S. 63-502.1) | Not available to FSHH. (If person makes a cash contribution to HH, apply normal income standards.) | Count all | Not available to FSHH (If person makes a cash contribution to HH, apply normal income standards). | Prorate: Divide evenly among eligibles and these excluded members; count eligibles' share. |

HANDBOOK ENDS HERE

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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.374 To prorate within the food stamp household, the CWD shall:

- (a) Find the sum of contributors. The categories and treatment of contributors are as follows:
 - (1) Household members excluded for food stamps: Count all food stamp eligible persons plus any person disqualified for IPV or workfare/work sanction.
 - (2) Household members excluded due to alien status or is SSN disqualified: If one ineligible alien contributes or has income, count all ineligible aliens. If one SSN disqualified member contributes or has income, count all SSN disqualified members.
 - (3) Household members excluded due to being an SSI recipient or excluded student: Count only the person(s) contributing when the contribution cannot be differentiated.
- (b) Divide the total applicable expense by the total number of contributors found in (a) above to arrive at the pro rata share per person.
- (c) Multiply the pro rata share from (b) above by the number of food stamp eligible persons and IPV or workfare/work sanctioned persons from (a)(1) above. This is the pro rata share of expenses to allow the food stamp eligible members.

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.375 **EXAMPLES**

NOTE: The SUA figure used in the examples below is the Federal Fiscal Year 1997 figure. This section will not be amended to reflect adjustments to the SUA, which can occur annually. CWDs will need to use the current SUA figure when calculating deductions.

- | | | |
|----|-------------------------|--|
| I. | Mother- 2 Children - | ineligible alien, contributes towards rent and utilities AFDC |
| | Total rent: \$300 | eligible for and chooses SUA: = \$151 |

HANDBOOK CONTINUES

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued)**63-502****HANDBOOK CONTINUES**

Step 1. Determine number of HHs sharing the residence

HH A: Ineligible alien mother and two AFDC children

Step 2. Determine number of HHs contributing to the expense

HH A = 1

Step 3. Determine the amount of each HH's contribution

HH A: Rent \$300

SUA: \$151

Step 4. Determine amount to be used in FS budget

Rent: $\$300 \div 3 = \$100 \times 2 = \$200$ SUA: $\$151 \div 3 = \$50.33 \times 2 = \$100.66$

II. Mother - ineligible alien; doesn't contribute to expenses; has no income.
2 Children- AFDC

Total rent: \$300

eligible for and chooses SUA: \$151

Step 1. Determine number of HHs sharing the residence

HH A: Ineligible alien mother, and two AFDC children

Step 2. Determine number of HHs contributing to the expense

HH A = 1

Step 3. Determine the amount of each HH's contribution

HH A: Rent \$300

SUA: \$151

Step 4. Determine amount to be used in FS budget

HH A: Rent $\$300 \div 2$ (AFDC children) = \$150 $\$150 \times 2$ (AFDC children) = \$300SUA $\$151 \div 2$ (AFDC children) = \$75.50 $\$75.50 \times 2$ (AFDC children) = \$151**HANDBOOK CONTINUES**

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HANDBOOK CONTINUES

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued)**63-502****HANDBOOK CONTINUES**

- IV. Mother - IPV disqualified: contributes to rent and utilities
 2 Children - AFDC
 SSI recipient contributes, but amount of contribution is unknown; purchases and prepares with mother and children

Total rent: \$400 eligible for and chooses SUA: \$151

Step 1. Determine number of HHs sharing the residence

HH A: IPV Disqualified mother, 2 AFDC children, and SSI recipient

Step 2. Determine number of HHs contributing to the expense

HH A = 1

Step 3. Determine amount of each HHs contribution

| | | |
|-------|------|-------|
| HH A: | Rent | \$400 |
| | SUA | \$151 |

Step 4. Determine amount to be used in FS budget

HH A: Rent $\$400 \div 4$ (mother, two children and SSI recipient)
 $= \$100 \times 3$ (2 AFDC children + mother) = \$300
 SUA $\$151 \div 4 = \$37.75 \times 3 = \$113.25$

- V. Father - contributes to utilities and shelter
 3 Children - AFDC
 Ineligible alien adult - unemployed ineligible alien who contributes \$150 per month for rent and utilities; purchases and prepares with father and children

Total Rent: \$400 eligible for and chooses SUA: \$151

Step 1. Determine number of HHs sharing the residence

HH A: Father and 3 children on AFDC; ineligible alien

Step 2. Determine number of HHs contributing to the expense

HH A = 1

HANDBOOK CONTINUES

HANDBOOK CONTINUES

Step 3. Determine amount of each HH's contribution

HH A: Rent \$400

SUA \$151 - \$0 = \$151

Step 4. Determine amount to be used in FS budget

HH A: Rent $\$400 \div 5 = \80

$\$80 \times 4$ (father and 3 children) = \$320

SUA $\$151 \div 5 = \$30.20 \times 4 = \$120.80$

NOTE: Known contribution of ineligible alien is not deducted. He/she is prorated,
and the FSHH is allowed all but his portion.

| | | |
|-----|--------------------------|---|
| VI. | Mother- | contributed to rent and utilities |
| | 2 Children | receive AFDC |
| | SSI child - | sibling of AFDC children; contribution unknown |
| | Ineligible alien adult - | no contribution; purchases and prepares food with mother and children |
| | SSI grandmother - | contributes \$150 towards rent; purchases and prepared separately |

Total rent: \$500

eligible for and choose SUA: \$151

Step 1. Determine number of HHs sharing the residence

HH A: Mother, 2 AFDC children, SSI child, and ineligible alien adult

HH B: SSI grandmother

Step 2. Determine number of HHs contributing to the expense

HH A + HH B = 2

Step 3. Determine amount of each HH contribution

HH A: Rent $\$500 - \$150 = \$350$

SUA \$151

HH B: Rent \$150

HANDBOOK CONTINUES

HANDBOOK CONTINUES

Step 4. Determine amount to be used in FS budget

HH A: Rent $\$350 \div 4$ (mother, SSI child, and AFDC children) =
 $\$87.50 \times 3$ (mother and AFDC children)* = \$262.50
SUA $\$151 \div 4 = 37.75 \times 3 = \113.25

*Note: The ineligible alien was not prorated in Step 4 as this individual does not pay anything towards these expenses (therefore is not a contributor).

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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.38 Child Support Deduction

- .381 The child support deduction is the monthly amount of child support payments that a household member, with a legal obligation to pay child support payments to or for an individual living outside of the household, actually makes.
- .382 The payments shall be verified as specified in Section 63-300.51(j).
- .383 Households that fail or refuse to cooperate by supplying the necessary verifications shall have their eligibility and benefit level determined without a child support deduction.
- .384 Payments are deductible only to the extent that they represent the household's child support obligation which has been ordered by a court or administrative authority.
- .385 Child support payments made to a third party (e.g., a landlord or utility company) on behalf of the nonhousehold member in accordance with the support order shall be included in the child support deduction. Payments made by a household with a legal obligation to obtain health insurance for a child shall also be included as part of the child support deduction.

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| 63-502 | INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) | 63-502 |
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.386 Amounts paid toward arrearages shall be deductible.

NOTE: Authority cited: Sections 10553, 10554, 11209, 18900, 18901 and 18904, Welfare and Institutions Code. Reference: Sections 10554, 18901, and 18904, Welfare and Institutions Code; Public Law (P.L.) 99-603, Section 201(a), Section 245A(h)(1)(A)(iii), Immigration Reform and Control Act; 100-50, Sections 22(e)(4) and 14(27), enacted June 3, 1987; P.L. 100-77; P.L. 101-201; P.L. 101-508, Section 11111(b); P.L. 103-66, Section 5(c), (d) and (e) and Section 8(a); 7 Code of Federal Regulations (CFR) 271.2; 7 CFR 273.1(c)(6); 7 CFR 273.7(f); 7 CFR 273.9; 7 CFR 273.9(b)(1), (c), and proposed amended (c)(1)(ii) as published in the Federal Register, Vol. 59, No. 167, on August 30, 1994; (c)(1)(ii)(G), (d) and proposed (d)(7) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, 7 CFR 273.10(d)(1)(i); 7 CFR 273.11(b)(1); 7 CFR 273.11(c), (d) and (d)(1) and (e); 7 CFR 273.21(j)(1)(vii)(A); 7 United States Code (U.S.C.) 2014(c), (d), (e), (k)(1)(B), and (k)(2)(F); 7 U.S.C. 2015(e); 7 U.S.C. 2017(a); 20 U.S.C. 2466d.; 26 U.S.C. 32(j)(5); P.L. 104-193, Sections 807, 808, 809, 811, and 829 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal Feb. 1, 1990) [Dock. No. CV-89-0768].); United States Department of Agriculture (U.S.D.A.) Food and Consumer Services (FCS) Administrative Notice (AN) 88-40, Indexed Policy Memo 88-10, dated April 20, 1988; U.S.D.A., FNS ANs 91-24, 91-30, 94-39, 94-41, dated April 19, 1994; and the July 8, 1988 district court order in Hamilton v. Lyng.